



BONDWATCH

Daily

March 15, 2024

INDIA

Indian government bond yields inched higher to wrap up the week, which also witnessed the first upward move after four consecutive weeks of fall, mirroring a momentum in Treasury yields, though with a lower magnitude.

The benchmark 10-year yield ended at 7.0644%, following its previous close of 7.0401%. The yield rose three basis points (bps) this week, after easing by an aggregate of 8 basis points in the last four weeks.

U.S. yields jumped this week, with the 10-year yield rising as much as 25 bps for the week's lowest point to trade around the 4.30% handle.

Yields rose after producer prices were more than estimates, which followed a higher-than-expected inflation reading earlier in the week, and led to further uncertainty about whether the Federal Reserve would start rate cutting later than the widely expected June.

The data points come just a week before the Fed's monetary policy decision, due on Wednesday, and have raised concerns that some members may tone down their rate cut expectations for 2024, and the updated dot plot may only show tow cuts for 2024.

The odds for a rate cut in June have now eased to 61% from 74% last week and 82% last month

Oil prices edged lower on Friday but were on track to gain over 3% for the week, boosted by the International Energy Agency raising its 2024 oil demand forecasts.

The Indian rupee weakened 0.07% versus the U.S. dollar, and quoted at 82.87 per dollar, tracking a fall in Asian peers, after U.S. bond yields surged in light of data that signaled inflation in the world's largest economy could be sticky.

Repo: The weighted average call rates in the interbank segment increased to 6.63% vs 6.43% as on the previous day while that the TREP segment increased to 6.68% vs 6.29% as on the previous day.

Market Observations

G-sec

- Selling was seen in 2025 to 2030 maturity illiquid G-sec majorly by foreign banks from 7.07 to 7.10 levels.

Corporate Bonds

- Insurance companies, postal funds and Mutual funds were active in the 10 to 15-year segment.

- Banks and insurance companies were active in the MMY segment along with Mutual funds.

CP/CD

- Major activity was seen in the 3-month segment.

GOI Yield	15-Mar	14-Mar	7-Mar	16-Feb
1 Year	7.010	7.020	7.080	7.090
5 Year	7.074	7.042	7.032	7.076
10 Year	7.064	7.040	7.031	7.097

AAA Bmk	15-Mar	14-Mar	7-Mar	16-Feb
1 Year	7.80	7.80	7.85	8.00
5 Year	7.60	7.55	7.60	7.63
10 Year	7.53	7.53	7.55	7.60

CD	15-Mar	14-Mar	7-Mar	16-Feb
3 Month	7.62	7.62	7.65	7.85
6 Month	6.65	6.65	7.70	7.85
1 Year	7.65	7.65	7.75	7.85

CP	15-Mar	14-Mar	7-Mar	16-Feb
3 Month	7.80	7.80	7.80	7.85
6 Month	7.85	7.85	7.85	7.85
1 Year	7.85	7.85	7.90	7.95

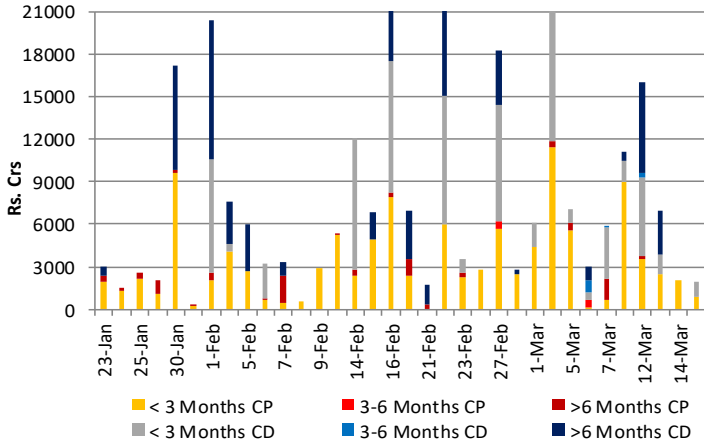
OIS Rate	15-Mar	14-Mar	7-Mar	16-Feb
1 Year	6.74	6.73	6.71	6.71
2 Year	6.43	6.40	6.38	6.41
3 Year	6.37	6.35	6.32	6.38
5 Year	6.32	6.30	6.28	6.35

	15-Mar	14-Mar	7-Mar	16-Feb
Sensex	72,643	73,097	74,119	72,427
Nifty	22,023	22,147	22,494	22,041
USD/INR	82.88	82.82	82.79	83.02
Gold (USD)	2,167	2,161	2,159	2,013
Oil (USD)	84.99	85.42	82.96	83.47

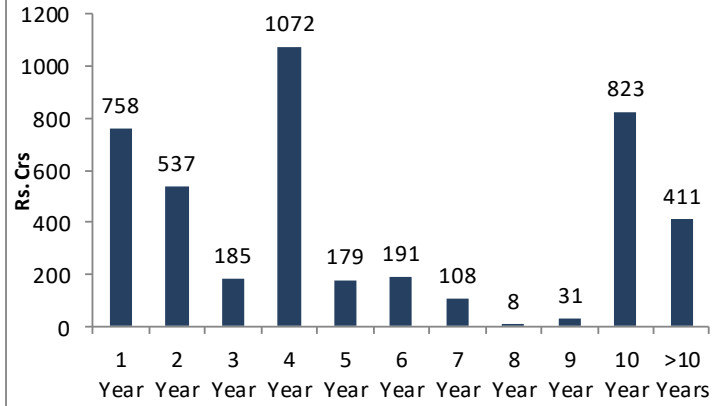
NDF	15-Mar	14-Mar	7-Mar	16-Feb
3 Month	83.03	83.19	82.81	83.32
1 Year	84.15	84.28	84.04	84.46
2 Year	86.31	86.41	86.19	86.61
3 Year	88.86	89.06	88.64	89.26



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	15-Mar	14-Mar	7-Mar	16-Feb
India	7.06	7.04	7.03	7.10
US	4.27	4.30	4.09	4.30
South Korea	3.41	3.35	3.40	3.48
Russia	13.59	13.49	13.27	12.65
Brazil	10.82	10.82	10.68	10.78
Germany	2.43	2.42	2.30	2.40
China	2.34	2.35	2.30	2.46

Top Traded Securities	Volume	14-Mar	13-Mar	7-Mar	14-Feb
7.26 2033	245	7.08	7.07	7.07	7.14
7.06 2028	405	7.06	7.05	7.05	7.11
7.62 2039	-	7.12	7.09	7.13	7.18
7.30 2053	860	7.13	7.13	7.11	7.18
6.64 2035	240	7.12	7.10	7.11	7.16
7.40 2035	210	7.13	7.09	7.09	7.16

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
13-Mar-24	0	292	-292

EQUITY	Gross Purchase	Gross Sales	Net Investment
	0	0	0

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
0	292	-292

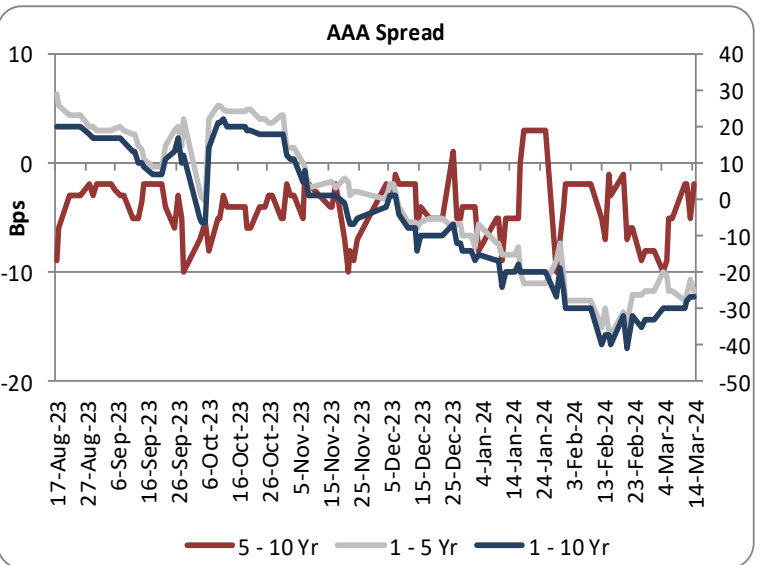
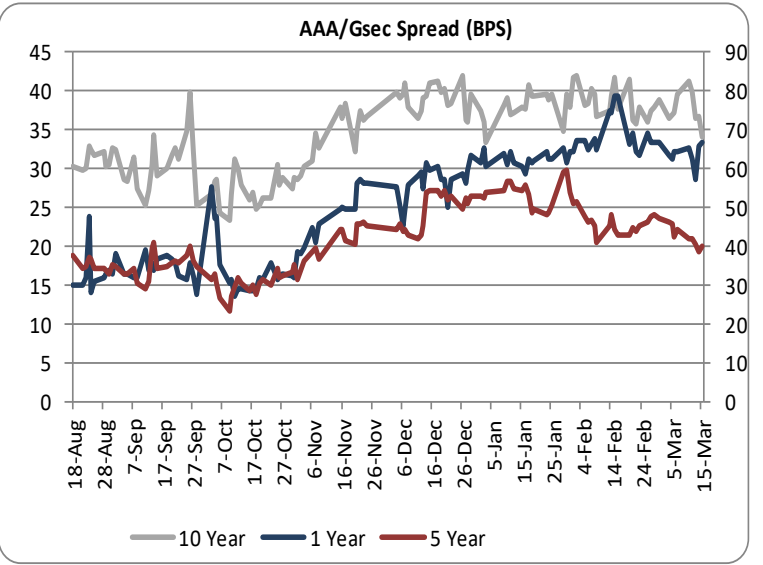
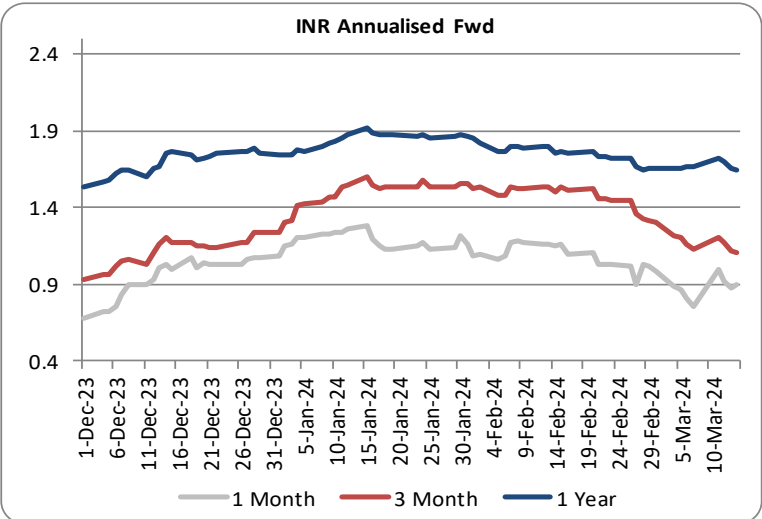
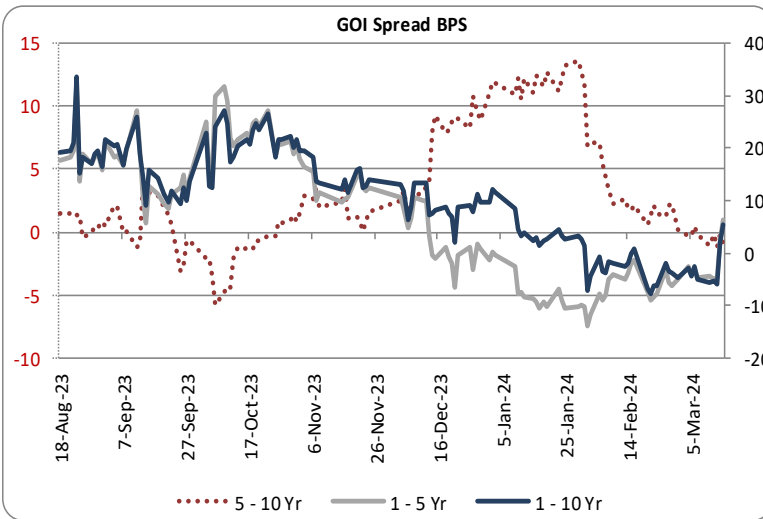
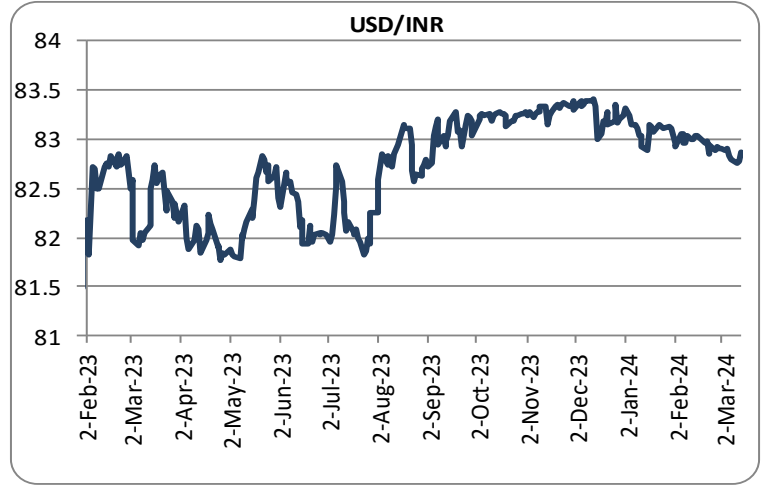
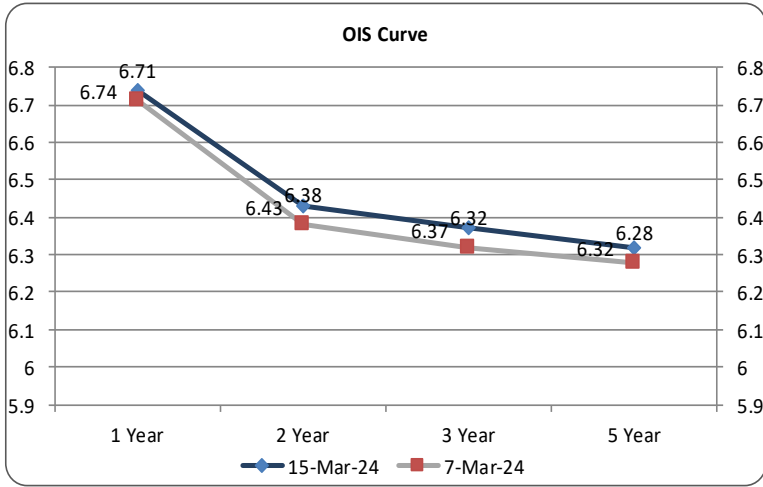
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
15-Mar-24	986	1927	-940

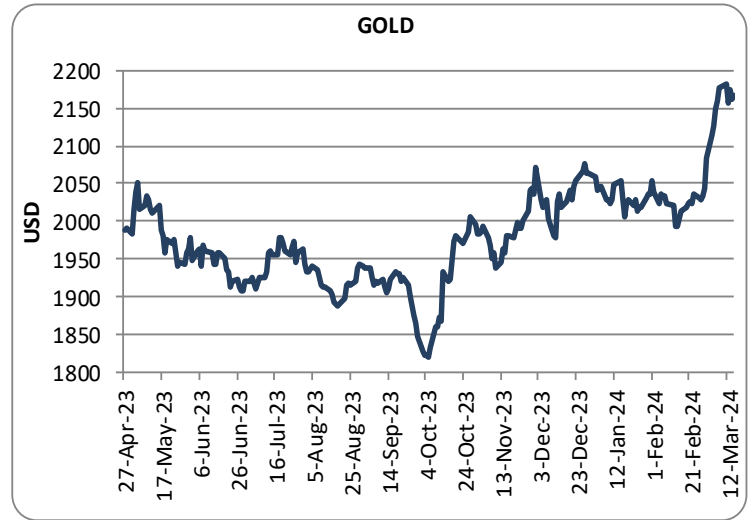
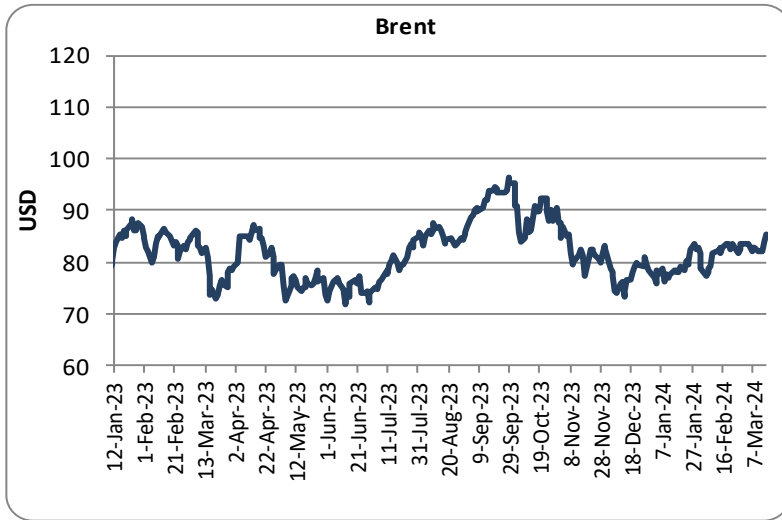
EQUITY	Gross Purchase	Gross Sales	Net Investment
	21037	21151	-114

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
22023	23078	-1055

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Dec-23	8.4	8.1
CAD (\$ Bn)	Sep-23	-8.3	-9.2
Trade Deficit (\$ Bn)	Sep-23	-61.0	-56.6
WPI (%)	Feb-24	0.2	0.3
CPI (%)	Feb-24	5.1	5.1
IIP (%)	Jan-24	3.8	4.2
PMI Manufacturing	Feb-24	56.9	56.5
PMI Service	Feb-24	60.6	61.8

Economic Calender	Country	Date	Poll	Prior
CPI	Germany	12-Mar-24	0	2.5
CPI	India	12-Mar-24	5.02	5.10
CPI	USA	12-Mar-24	3.10	3.10
Industrial Output	UK	13-Mar-24	0.70	0.60
WPI	India	14-Mar-24	0.25	0.27
CPI	Euro Zone	18-Mar-24	-	2.60
Cash Rate	Australia	19-Mar-24	-	4.35
CPI	Canada	19-Mar-24	-	2.90





Sources: Reserve Bank of India, Bloomberg, Reuters, CCIL and FIMMDA.

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